



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

February 4, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 4110

Neal Mortensen
Western Clay Company
508 East Center
P.O. Box 127
Aurora, Utah 84620

Re: Conditional Tentative Approval, Permit Amendment to Large Mine Notice of Intention,
Western Clay Company, Bentonite Pits, M/041/012, Sevier County, Utah

Dear Mr. Mortensen:

The Division has completed a review of your revised Notice of Intention for Large Mining Operations, received October 22, 2001. In reviewing the application, we have determined that the revised proposal may be categorized as a permit amendment rather than a permit revision; therefore, it is not subject to a 30-day public comment period.

The information in the amendment is adequate with the exception that the revegetation plan needs to be updated. It is recommended that only composted manure (at a rate of 10 tons/acre) be used (drop plans to use the 200 lbs/acre of diammonium phosphate). Also, the seed mix should be revised to help assure a permanent, diverse vegetation establishment. A recommended seed mix is attached for your consideration. If acceptable, please incorporate it into the amended plan.

On November 1, 2001, we received a "transitional" Reclamation Contract, and a copy of a Letter of Credit in the amount of \$67,300 issued by Utah Independent Bank. You were advised that upon completing the review of the new submittal, the surety amount may need to be adjusted either up or down. The surety amount has been calculated and the amount needs to be increased to a new amount of \$96,900.00 to year 2007 dollars (surety estimate attached). A final Reclamation Contract will also need to be provided which will be attached to the surety bond (MR-RC enclosed).

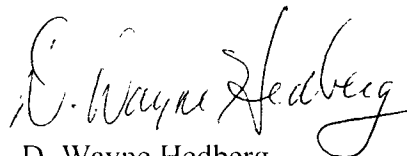
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Neal Mortensen
M/041/012
February 4, 2002

Prior to issuing final approval of the permit amendment, we will require that you provide us with the following information:

1. dated replacement pages incorporating the updated revegetation plan;
2. the \$96,900.00 Reclamation Surety;
3. a new Reclamation Contract (Form MR-RC enclosed);
Note: Please provide us with a "draft" copy of the completed Reclamation Contract and surety form before they are finalized, so we can review them for completeness and accuracy; and
4. two copies of the complete and corrected plan. When final approval is issued, one copy will be stamped "approved" and returned to you for your records.

Please provide your final response to this conditional tentative approval within 30 days of receipt. We will then proceed to issue our final approval and notify you accordingly. If you have any questions regarding this letter, please contact me, Lynn Kunzler, or Doug Jensen. Thank you for your cooperation and patience in completing this permitting process.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment Recommended Seed Mix, surety estimate
Enclosure : Reclamation Contract
M41-12-cond-tent-apv.doc

Recommended Revegetation Species List
for

Western Clay Company
Bentonite Mine
M/041/012

Prepared by DOGM Jan 2002

For final reclamation

<u>Common Name</u>	<u>Species Name</u>	<u>*Rate lbs/ac (PLS)</u>
'Boizoiski ' russian wildrye	<u>Elymus junceus 'Boizoiski'</u>	1.0
Intermediate wheatgrass	<u>Agropyron intermedium</u>	1.0
'Piute' orchard Grass	<u>Dactylis glomerata 'Piute'</u>	0.5
Basin Wildrye	<u>Elymus cinereus</u>	1.5
Alta fescue	<u>Festuca arundinacea</u>	1.0
Yellow sweetclover	<u>Melilotus officinalis</u>	0.5
Palmer penstemon	<u>Penstemon palmeri</u>	0.5
Small burnet	<u>Sanguisorba minor</u>	1.5
4-Wing Saltbush	<u>Atriplex canescens</u>	1.0
Rubber rabbitbrush	<u>Chrysothamnus nauseosus</u>	0.3
Forage kochia	<u>Kochia prostrata</u>	0.5
Total		9.3 lbs/ac

**This the recommended broadcast seeding rate.*

RECLAMATION SURETY ESTIMATE					Note
Western Clay Company		last revision		01/15/02	
Redmond Bentonite Pits		filename M041-012 WB2			
M/041/012		Sevier County			
Prepared by Utah State Division of Oil, Gas & Mining					
Note: actual unit costs may vary according to site conditions					
last unit cost update				2-Aug-00	
-Amount of disturbed area which will receive reclamation treatments =				33 24 acres	
-Estimated total disturbed area for this mine =				33 24 acres	
Activity	Quantity	Units	\$/unit	\$	
Safety gates, signs, etc. (mtls & installation)	4	sum	200	800	
NORTH SHEEP TRAIL MINE					
Topsoil/overburden replacement - dozer	23,830	CY	0 36	8578.8	
SHEEP TRAIL SOUTH MINE					
Topsoil/overburden replacement - dozer	29,321	CY	0 36	10555.56	
NORTH SLOPE MINE					
Topsoil/overburden replacement - dozer	49,795	CY	0 36	17926.2	
RED PIT MINE					
Topsoil/overburden replacement - dozer	41,414	CY	0 36	14909 04	
Composted manure (10 ton/acre)	33 24	acre	300	9972	
Broadcast seeding	33 24	acre	225	7479	
General site cleanup & trash removal	10	acre	50	500	
Equipment mobilization	1	equip	1000	1000	
Reclamation Supervision	10	days	386	3860	
Subtotal				\$75,580 60	
10% Contingency				7558 06	
Subtotal				83138 66	
Escalate for 5 years at 3 12% per yr				13804 58	
Total				96943.24	
Rounded surety amount in yr 2006-\$				\$96,900	
Average cost per disturbed acre =				\$2,915	

Note	
(1)	DOGM lump sum assumed
(00)	DOGM general estimate - manure \$16/ton delivered, \$14 ton/acre spreading
(00)	DOGM general estimate - broadcast seeding
(00)	DOGM general estimate - site cleanup & trash removal
(00)	DOGM general estimate - equipment mobilization
(15)	Means 2000, 01300-700-0180, project manager, minimum \$1,930/wk